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9 **UNITED STATES BANKRUPTCY COURT**
10 **NORTHERN DISTRICT OF CALIFORNIA**
11 **SAN FRANCISCO DIVISION**

12 **In re:**

13 **PG&E CORPORATION,**

14 **- and -**

15 **PACIFIC GAS AND ELECTRIC**
16 **COMPANY,**

17 **Debtors.**

- 18 ☐ Affects PG&E Corporation
19 ☐ Affects Pacific Gas and Electric Company
20 ☒ Affects both Debtors

21 ** All papers shall be filed in the Lead Case*
22 *No. 19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)

Chapter 11
(Lead Case)
(Jointly Administered)

**SUMMARY SHEET TO THIRD INTERIM
FEE APPLICATION OF CRAVATH,
SWAINE & MOORE LLP FOR
ALLOWANCE AND PAYMENT OF
COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR
THE PERIOD OCTOBER 1, 2019
THROUGH AND INCLUDING
JANUARY 31, 2020**

Date: TBD
Time: TBD (Pacific Time)
Place: United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

Objection Deadline: April 6, 2020 at 4:00 p.m.
(Pacific Time)

General Information

Name of Applicant: Cravath, Swaine & Moore LLP (“**Cravath**”)

Authorized to Provide Professional Services to: Attorneys for Debtors and Debtors in Possession

Petition Date: January 29, 2019

Retention Date: April 25, 2019 *nunc pro tunc* to January 29, 2019

Prior Applications: *First Interim Fee Application of Cravath, Swaine & Moore LLP for Allowance and Payment of Compensation and Reimbursement of Expenses for the Period January 29, 2019 Through and Including May 31, 2019 [Docket No. 3683] (the “**First Interim Fee Application**”); Second Interim Fee Application of Cravath, Swaine & Moore LLP for Allowance and Payment of Compensation and Reimbursement of Expenses for the Period June 1, 2019 Through and Including September 30, 2019 [Docket No. 4804] (the “**Second Interim Fee Application**”)*

Summary of Fees and Expenses Sought in this Application

Time Period Covered by this Application: October 1, 2019 through and including January 31, 2020 (the “**Compensation Period**”)

Amount of Compensation Sought as Actual, Reasonable and Necessary for the Compensation Period: \$38,286,942.50

Amount of Expense Reimbursement Sought As Actual, Reasonable and Necessary for the Compensation Period: \$16,348,412.36

Total Compensation and Expenses Requested for the Compensation Period: \$54,635,354.86

Summary of Voluntary Fee Reductions for the Compensation Period

Amount of Voluntary Reductions to Compensation Incurred During the Compensation Period: \$534,162.00 in voluntary write offs

Total Fees and Expenses Allowed Pursuant to Prior Applications

Total Allowed Compensation Paid to Date:	\$29,043,099.00
Total Allowed Expenses Paid to Date:	\$1,022,061.82
Total Allowed Compensation and Expenses Paid to Date:	\$30,065,160.82

Total Fees and Expenses Paid to Applicant Pursuant to Monthly Statements, but Not Yet Allowed

Compensation Sought in this Application Already Paid Pursuant to the Interim Compensation Order but Not Yet Allowed (80% of Fees in June Monthly Fee Statement):	\$22,107,609.60
Expenses Sought in this Application Already Paid Pursuant to the Interim Compensation Order but Not Yet Allowed (100% of Expenses in June Monthly Fee Statement):	\$6,224,791.91

Summary of Fees and Expenses Sought in this Application

Total Compensation and Expenses Sought in this Application Already Paid Pursuant to the Interim Compensation Order but Not Yet Allowed:	\$28,332,401.51
Total Compensation and Expenses Sought in this Application Not Yet Paid:	\$26,302,953.35

Summary of Rates and Other Related Information in this Application

Blended Rate in this Application for All Attorneys:	\$719.20
Blended Rate in this Application for All Timekeepers:	\$660.36
Number of Timekeepers Included in this Application:	159
Number of Attorneys in this Application Not Included in Staffing Plan Approved by Client:	N/A
Difference Between Fees Budgeted and Compensation Sought for this Period:	In the aggregate, \$904,605.14 under the "mid-case" budget for the Compensation Period

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Number of Attorneys Billing Fewer than 15 1 attorney
Hours to the Cases During the Compensation
Period:

Increase in Rates: None

This is a(n): X Interim Final Application

SUMMARY OF FIRST INTERIM FEE APPLICATION

Date Filed and Dkt No.	Period Covered	Total Compensation and Expenses Incurred for Period Covered		Total Amount Paid to Date	
		Fees	Expenses	Fees	Expenses
06/19/2019 Dkt. No. 2645	01/29/19 – 02/28/19	\$7,035,746.98	\$410,918.01	\$7,035,746.98	\$410,918.01
07/18/2019 Dkt. No. 3084	03/01/19 – 03/31/19	\$7,550,845.14	\$247,388.40	\$7,550,845.14	\$247,388.40
08/08/2019 Dkt No. 3484	04/01/19 – 04/30/19	\$7,274,270.66	\$219,270.08	\$7,274,270.66	\$219,270.08
08/20/2019 Dkt. No. 3614	05/01/19 – 05/31/19	\$7,182,236.22	\$144,485.33	\$7,182,236.22	\$144,485.33
Total:		\$29,043,099.00¹	\$1,022,061.82	\$29,043,099.00	\$1,022,061.82

SUMMARY OF SECOND INTERIM FEE APPLICATION

Date Filed and Dkt No.	Period Covered	Total Compensation and Expenses Incurred for Period Covered		Total Amount Paid to Date		Holdback Fees Requested
		Fees	Expenses	Fees (@ 80%)	Expenses (@ 100%)	Fees (@20%)
09/13/2019 Dkt. No. 3892	06/01/19 – 06/30/19	\$6,470,439.25	\$374,444.13	\$5,176,351.40	\$374,444.13	\$1,294,087.85
10/31/2019 Dkt. No. 4539	07/01/19 – 07/31/19	\$7,788,617.50	\$1,058,420.09	\$6,230,894.00	\$1,058,420.09	\$1,557,723.50
11/15/2019 Dkt. No. 4764	08/01/19 – 08/31/19	\$9,705,244.75	\$1,164,938.29	\$7,764,195.80	\$1,164,938.29	\$1,941,048.95
11/15/2019 Dkt. No. 4765	09/01/19 – 09/30/19	\$12,059,050.75	\$1,255,193.70	\$9,647,240.60	\$1,255,193.70	\$2,411,810.15
Total:		\$36,023,352.25²	\$3,852,996.21	\$28,818,681.80	\$3,852,996.21	\$7,204,670.45
Travel Adjustment:³						(122,214.25)
Adjusted Total:						\$7,082,456.20

¹ Net of \$1,139,607.50 in voluntary write offs and \$1,300,000.00 fee compromise with Fee Examiner.

² Net of \$444,744.00 in voluntary write offs.

³ As described in the Second Interim Fee Application.

SUMMARY OF THIRD INTERIM FEE APPLICATION

Date Filed and Dkt No.	Period Covered	Total Compensation and Expenses Incurred for Period Covered		Total Amount Previously Requested with Prior Monthly Fee Statement		Total Amount Paid to Date		Holdback Fees Requested
		Fees	Expenses	Fees (@ 80%)	Expenses (@ 100%)	Fees (@ 80%)	Expenses (@ 100%)	Fees (@20%)
01/24/2020 Dkt. No. 5496	10/01/19 – 10/31/19	\$14,978,292.00	\$1,763,779.26	\$11,982,633.60	\$1,763,779.26	\$11,982,633.60	\$1,763,779.26	\$2,995,658.40
02/12/2020 Dkt. No. 5742	11/01/19 – 11/30/19	\$12,656,220.00	\$4,461,012.65	\$10,124,976.00	\$4,461,012.65	\$10,124,976.00	\$4,461,012.65	\$2,531,244.00
03/16/2020 Dkt. No. 6310	12/01/19 – 12/31/19	\$6,723,651.50	\$6,940,665.00	\$5,378,921.20	\$6,940,665.00	\$0.00	\$0.00	\$1,344,730.30
03/16/2020 Dkt. No. 6311	01/01/20 – 01/31/20	\$3,928,779.00	\$3,182,955.45	\$3,143,023.20	\$3,182,955.45	\$0.00	\$0.00	\$785,755.80
Total:		\$38,286,942.50⁴	\$16,348,412.36	\$30,629,554.00	\$16,348,412.36	\$22,107,609.60	\$6,224,791.91	\$7,657,388.50

Summary of Any Objections to Monthly Fee Statements: None⁵

Compensation and Expenses Sought in this Application Not Yet Paid: \$26,302,953.35

⁴ Net of \$534,162.00 in voluntary write offs and \$1,360,000.00 of one-time credits described in Cravath's Tenth and Twelfth Monthly Fee Statements.

⁵ The objection deadline with respect to Cravath's Eleventh and Twelfth Monthly Fee Statements is April 6, 2020. If each deadline passes without objection, the Debtors will remit payment of 80% of the requested fees and 100% of the requested expenses for each period.

**COMPENSATION BY PROFESSIONAL
FOR THE COMPENSATION PERIOD**

The attorneys who rendered professional services in these Chapter 11 Cases during the Compensation Period are:

NAME OF PROFESSIONAL PARTNERS:	DEPARTMENT	YEAR ADMITTED	HOURLY RATE	TOTAL HOURS BILLED	TOTAL COMPENSATION
Evan R. Chesler	Litigation	1976	\$1,500	92.80	\$139,200.00
Peter T. Barbur	Litigation	1989	1,500	492.00	738,000.00
Richard A. Hall	Corporate	1989	1,500	293.70	440,550.00
Julie A. North	Litigation	1990	1,500	453.50	680,250.00
Andrew W. Needham	Tax	1995	1,500	78.40	117,600.00
George E. Zobitz	Corporate	1996	1,500	187.30	280,950.00
Darin P. McAtee	Litigation	1993	1,500	245.20	367,800.00
Timothy G. Cameron	Litigation	1999	1,500	564.80	847,200.00
Paul H. Zumbro	Corporate	1998	1,500	301.80	452,700.00
Kevin J. Orsini	Litigation	2004	1,500	675.00	1,012,500.00
J. Wesley Earnhardt	Litigation	2005	1,350	88.80	119,880.00
Benjamin Gruenstein	Litigation	2000	1,350	26.80	36,180.00
David M. Stuart	Litigation	1996	1,350	12.00	16,200.00
Omid H. Nasab	Litigation	2007	1,350	163.10	220,185.00
Damaris Hernandez	Litigation	2008	1,350	545.30	736,155.00
Nicholas A. Dorsey	Corporate	2010	1,100	39.10	43,010.00
Andrew C. Elken	Corporate	2009	1,100	29.60	32,560.00
Lauren R. Kennedy	Litigation	2011	1,100	52.60	57,860.00
C. Daniel Haaren	Corporate	2013	1,100	152.30	167,530.00
Evan Norris	Litigation	2003	1,100	96.30	105,930.00
Total Partners:				4,590.40	\$6,612,240.00

NAME OF PROFESSIONAL ASSOCIATES:	DEPARTMENT	YEAR ADMITTED	HOURLY RATE	TOTAL HOURS BILLED	TOTAL COMPENSATION
Christopher J. Kelly	Corporate	2000	\$1,240	61.00	\$75,640.00
Joyce Law	Corporate	1998	1,080	16.20	17,496.00
Evan Norris	Litigation	2003	1,025	517.60	530,540.00
Lillian S. Grossbard	Litigation	1998	1,020	671.00	684,420.00
Deborah L. Fox	Litigation	2008	975	93.60	91,260.00
Scott Reents	Litigation	2008	975	586.60	571,935.00
Nathan Denning	Litigation	2011	960	257.80	247,488.00
Brian Budnick	Corporate	2012	960	15.20	14,592.00
Brittany L. Sukiennik	Litigation	2012	960	665.20	638,592.00
C. Daniel Haaren	Corporate	2013	960	482.40	463,104.00
Morgan Cohen	Litigation	2014	960	120.70	115,872.00
Paul Sandler	Corporate	2014	960	111.90	107,424.00
Katherine D. Janson	Litigation	2006	945	220.30	208,183.50
Christopher Beshara	Litigation	2015	940	905.60	851,264.00
Kelsie Docherty	Litigation	2015	940	653.80	614,572.00
Michael Zaken	Litigation	2015	940	647.20	608,368.00
Michelle Swan	Litigation	2015	940	22.40	21,056.00
Brendan Benedict	Litigation	2016	890	73.50	65,415.00
Charles E. Loeser	Litigation	2016	890	43.00	38,270.00
Christina Barreiro	Litigation	2016	890	498.70	443,843.00
Clay H. Greenberg	Litigation	2016	890	50.60	45,034.00
Matthias Thompson	Litigation	2016	890	512.90	456,481.00
Maurio Fiore	Corporate	2016	890	24.60	21,894.00
Max A. Winograd	Litigation	2016	890	461.30	410,557.00
Molly Jamison	Litigation	2016	890	209.30	186,277.00
Norman J. Walczak	Corporate	2016	890	148.00	131,720.00
Salah M. Hawkins	Litigation	2016	890	620.60	552,334.00
Alexander Gerten	Corporate	2017	855	64.90	55,489.50
Flora Ng	Litigation	2017	855	23.80	20,349.00
Grant S. May	Litigation	2017	855	555.70	475,123.50
Justin Mungai	Litigation	2017	855	34.40	29,412.00
Marco Wong	Litigation	2017	855	565.40	483,417.00
Melissa Valladares	Litigation	2017	855	508.90	435,109.50
Nicholas Medling	Litigation	2017	855	263.60	225,378.00

NAME OF PROFESSIONAL ASSOCIATES:	DEPARTMENT	YEAR ADMITTED	HOURLY RATE	TOTAL HOURS BILLED	TOTAL COMPENSATION
Sarah V. Warburg-Johnson	Litigation	2017	855	314.90	269,239.50
Timothy Nguyen	Corporate	2017	855	24.40	20,862.00
Alex Weiss	Litigation	2018	840	467.50	392,700.00
Allison Kempf	Litigation	2018	840	584.40	490,896.00
Allison Tilden	Litigation	2018	840	615.50	517,020.00
Bradley R. Niederschulte	Litigation	2018	840	363.80	305,592.00
Christina S. Shin	Corporate	2018	840	41.90	35,196.00
Jessica Choi	Litigation	2018	840	36.50	30,660.00
Jonathan D. Mooney	Litigation	2018	840	292.10	245,364.00
Katherine O'Koniewski	Litigation	2018	840	255.40	214,536.00
Michael Ardeljan	Litigation	2018	840	126.70	106,428.00
Monica D. Kozycz	Litigation	2018	840	712.60	598,584.00
Patrick S. Taylor	Corporate	2018	840	153.50	128,940.00
Sarah M. Topol	Litigation	2018	840	637.30	535,332.00
Sophia Suarez	Litigation	2018	840	36.90	30,996.00
Edgar Myer	Litigation	2017 (Admitted in New South Wales)	750	484.30	363,225.00
Christopher J. Charlton	Litigation	2018 (Admitted in England and Wales)	750	71.30	53,475.00
Aishlinn R. Bottini	Litigation	2019	750	54.60	40,950.00
Andrea Thompson	Litigation	2019	750	18.40	13,800.00
Brittany Sherman	Litigation	2019	750	485.40	364,050.00
Caleb Robertson	Litigation	2019	750	818.70	614,025.00
Derek Mong	Litigation	2019	750	428.20	321,150.00
Feyilana Lawoyin	Litigation	2019	750	404.40	303,300.00
Kalana Kariyawasam	Litigation	2019	750	522.50	391,875.00
Lauren A. Cole	Litigation	2019	750	651.80	488,850.00
Margaret Fleming	Corporate	2019	750	711.90	533,925.00
Mika Madgavkar	Litigation	2019	750	385.30	288,975.00
Sara Bodner	Litigation	2019	750	741.50	556,125.00
Seann Archibald	Corporate	2019	750	156.00	117,000.00
Sofia Gentel	Litigation	2019	750	528.80	396,600.00
Sylvia Mahaffey	Corporate	2019	750	45.70	34,275.00

NAME OF PROFESSIONAL ASSOCIATES:	DEPARTMENT	YEAR ADMITTED	HOURLY RATE	TOTAL HOURS BILLED	TOTAL COMPENSATION
Ya Huang	Corporate	2019	750	339.10	254,325.00
Vanessa Isler	Corporate	2015 (Admitted in Switzerland)	645	115.60	74,562.00
Andrew Astore	Corporate	2019	595	398.10	236,869.50
Swara Saraiya	Litigation	2019	595	645.00	383,775.00
Evan Siegel	Litigation	2020	595	573.60	341,292.00
Harold King	Corporate	2020	595	426.30	253,648.50
Lavinia Borzi	Corporate	2020*	595	71.70	42,661.50
Tammuz Huberman	Corporate	2020*	595	95.90	57,060.50
William LaRosa	Litigation	2020	595	573.20	341,054.00
Shanique Campbell	Litigation	**	595	390.70	232,466.50
Benjamin Wylly	Litigation	**	595	827.90	492,600.50
Cristopher Ray	Litigation	**	595	265.30	157,853.50
Ori Oren	Corporate	**	595	53.30	31,713.50
Joachim Trautmann	Litigation	2001	565	143.40	81,021.00
Marisa Wheeler	Litigation	2003	565	669.80	378,437.00
Raffaele DiMaggio	Litigation	2004	565	954.20	539,123.00
Joel Hagood	Litigation	2010	565	475.20	268,488.00
Jay Holt	Litigation	1977	415	281.00	116,615.00
Katherine Geraci	Litigation	1984	415	592.80	246,012.00
Alain Rozan	Litigation	1985	415	697.30	289,379.50
Andrea Naham	Litigation	1987	415	909.00	377,235.00
Matthew Goetz	Litigation	1992	415	636.90	264,313.50
Louise Quick	Litigation	1993	415	715.80	297,057.00
Trebor Lloyd	Litigation	1993	415	771.00	319,965.00
Grace Sommero	Litigation	1995	415	750.50	311,457.50
Andrew Weiner	Litigation	1997	415	763.70	316,935.50
Jianlong Sun	Litigation	1998	415	419.40	174,051.00
Samuel McLamore	Litigation	2000	415	281.20	116,698.00
Bradley Hillis	Litigation	2002	415	212.40	88,146.00
Peter Lee	Litigation	2004	415	539.60	223,934.00
Peter Truong	Litigation	2004	415	682.50	283,237.50
Alejandro MacLean	Litigation	2005	415	368.90	153,093.50
Andrew Sreniawski	Litigation	2005	415	201.50	83,622.50

NAME OF PROFESSIONAL ASSOCIATES:	DEPARTMENT	YEAR ADMITTED	HOURLY RATE	TOTAL HOURS BILLED	TOTAL COMPENSATION
Karen Dodson-Dobson	Litigation	2005	415	368.00	152,720.00
Robert Njoroge	Litigation	2008	415	570.20	236,633.00
Moshe K. Silver	Litigation	2009	415	805.60	334,324.00
Daniel Berkowitz	Litigation	2010	415	596.40	247,506.00
Michael Pfeffer	Litigation	2010	415	609.40	252,901.00
Dianne Rim	Litigation	2011	415	806.20	334,573.00
Donald Sanyi	Litigation	2011	415	599.90	248,958.50
Elizabeth Shura	Litigation	2011	415	695.70	288,715.50
Jane Dryer	Litigation	2011	415	159.80	66,317.00
Michael Fessler	Litigation	2011	415	494.20	205,093.00
Elizabeth Varas	Litigation	2013	415	759.00	314,985.00
Joanna Ingalls	Litigation	2013	415	402.30	166,954.50
Ryan Spence	Litigation	2013	415	443.80	184,177.00
Kimberly Tolman	Litigation	2014	415	457.50	189,862.50
Matthew Ng	Litigation	2014	415	625.70	259,665.50
Sherif Khalil	Litigation	2015	415	108.50	45,027.50
Nathan Ancheta	Litigation	2017	415	647.90	268,878.50
Total Associates:				46,871.80	\$30,367,850.50

* - Admitted following Compensation Period.

** - Not yet admitted.

The paraprofessionals and other non-legal staff who rendered professional services in these Chapter 11 Cases during the Compensation Period are:

NAME OF PARAPROFESSIONALS:	DEPARTMENT	HOURLY RATE	TOTAL HOURS BILLED	TOTAL COMPENSATION
Janet Venegas Fernando	Litigation Technology	\$400	216.80	\$86,720.00
Miguel Gonzalez	Litigation Technology	385	149.80	57,673.00
Vaughn Harper	Litigation Technology	385	44.60	17,171.00
Jonathan Morales	Litigation Technology	360	127.80	46,008.00
Roberto Severini	Litigation Technology	360	314.10	113,076.00
John McCormack	Litigation Support	360	104.40	37,584.00
Brittany Dobson	Litigation Support	335	429.90	144,016.50
Dana Crandall	Litigation Support	335	101.00	33,835.00
Justin Kim	Litigation Support	335	30.20	10,117.00
Somaiya Kibria	Litigation Support	335	535.90	179,526.50
Elizabeth Lewis	Litigation Legal Assistant	310	74.60	23,126.00
Erin Munro	Litigation Legal Assistant	310	40.50	12,555.00
Jessica Farrell*	Litigation Legal Assistant	310 290	150.10 274.00	46,531.00 79,460.00
Jim Bell	Litigation Legal Assistant	310	412.20	127,782.00
Joan Lewandowski	Litigation Legal Assistant	310	465.40	144,274.00
Kathleen Driscoll	Litigation Legal Assistant	310	428.60	132,866.00
Katie Dillon	Litigation Legal Assistant	310	16.50	5,115.00
Sarah Lim	Litigation Legal Assistant	310	50.90	15,779.00
Stephanie Scanzillo	Litigation Legal Assistant	310	633.50	196,385.00
Veronica Velasco*	Litigation Legal Assistant	310 290	125.60 443.20	38,936.00 128,528.00
Vivian Fernandez*	Litigation Legal Assistant	310 290	93.70 548.70	29,047.00 159,123.00
Charlie Zhen	Litigation Legal Assistant	290	526.10	152,569.00
Husniye Cogur	Litigation Legal Assistant	290	616.90	178,901.00
Nicole Jakobson	Litigation Legal Assistant	290	551.50	159,935.00
Raley Abramczyk	Litigation Legal Assistant	290	646.10	187,369.00
Rebecca O'Neill	Litigation Legal Assistant	290	423.60	122,844.00
Total Paraprofessionals:			8,576.20	\$2,666,852.00

* - During the Compensation Period, these individuals advanced in seniority and their hourly rates were subject to a step increase.

The total fees for the Compensation Period are:

PROFESSIONALS	BLENDED RATE	HOURS	TOTAL COMPENSATION
Partners	\$1,440.45	4,590.40	\$6,612,240.00
Associates	647.89	46,871.80	30,367,850.50
Paraprofessionals	310.96	8,576.20	2,666,852.00
Blended Attorney Rate	719.20		
Blended Rate for All Timekeepers	660.36		
Total Hours and Fees Incurred		60,038.40	39,646,942.50⁶
Less Credits⁷			(1,360,000.00)
Total Adjusted Fees			\$38,286,942.50

⁶ Net of \$534,162.00 in voluntary write offs.

⁷ As described in Cravath's Tenth and Twelfth Monthly Fee Statements.

**COMPENSATION BY PROJECT CATEGORY
FOR THE COMPENSATION PERIOD**

TASK CODE	DESCRIPTION	HOURS	AMOUNT
ADMN	Case Administration	824.90	\$271,251.00
ADVS	Adversary Proceedings	270.60	224,583.00
ASST	Use and Sale of Assets, Including 363 Sales	4.00	3,501.00
AUTO	Automatic Stay	1.70	1,233.00
BARN	Bar Date and Claims Noticing Matters	55.20	42,943.00
CASE	General Case Strategy	1,084.00	878,544.50
CASH	Financing/Cash Collateral	1,560.40	1,390,487.00
COMM	Committee Matters	9,746.00	4,645,209.00
CRAV	Cravath Retention and Fee Application	1,244.00	648,117.50
CRED	Creditor Inquiries	0.70	416.50
DSSV	Disclosure Statement/ Solicitation/Voting Matters	4.40	4,224.00
FEEO	Retention and Fee Application of Non-Cravath Professionals	1.10	1,288.00
GOVR	Corporate Governance and Securities Matters	1,561.10	1,407,037.00
HEAR	Hearings and Court Matters	194.80	218,772.00
INVS	Investigations	4,826.60	3,078,179.50
NONB	Non-Bankruptcy Litigation	18,242.80	11,860,174.00
OCMS	Other Contested Matters	185.10	174,851.50
OPRS	Business Operations Matters	82.70	87,862.00
PLAN	Plan of Reorganization/Plan Confirmation	480.60	447,740.00
PUBL	Public Relations Strategy	39.00	36,966.50
REGS	Regulatory and Legislative Matters	4,066.10	2,585,353.00
TRVL	Non-Working Travel Time	770.40	726,147.50
USTM	U.S. Trustee Matters/Meetings/Communications/Reports	0.10	40.00
WILD	Wildfire Claims Matters	14,792.10	10,912,022.00
Total:		60,038.40	\$39,646,942.50*

* - Net of \$534,162.00 in voluntary write offs.

**EXPENSE SUMMARY
FOR THE COMPENSATION PERIOD**

EXPENSES	AMOUNT
Business Meals	\$36,669.36
Courier/Mail Services	20,778.16
Duplicating	9,423.10
Miscellaneous	5,839.21
Special Disbursements (Including Expert Fees)	15,487,274.80
Transportation	54,127.15
Travel	734,300.58*
Total	\$16,348,412.36

* - Hotel expenses have been capped for reimbursement purposes at \$600.00/night.

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*Attorneys for Debtors
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

** All papers shall be filed in the Lead Case
No. 19-30088 (DM).*

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Bankruptcy Case No. 19-30088 (DM)

Chapter 11
(Lead Case)
(Jointly Administered)

**THIRD INTERIM FEE APPLICATION OF
CRAVATH, SWAINE & MOORE LLP
FOR ALLOWANCE AND PAYMENT OF
COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR
THE PERIOD OCTOBER 1, 2019
THROUGH AND INCLUDING
JANUARY 31, 2020**

Date: TBD
Time: TBD (Pacific Time)
Place: United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

Objection Deadline: April 6, 2020 at
4:00 p.m. (Pacific Time)

1 Cravath, Swaine & Moore LLP (“Cravath”), attorneys for PG&E Corporation (“**PG&E**
2 **Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as debtors and debtors in possession
3 (collectively, “**PG&E**” or the “**Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11**
4 **Cases**”), for its third application (the “**Third Interim Fee Application**” or the “**Application**”),
5 pursuant to sections 330(a) and 331 of title 11 of the United States Code (the “**Bankruptcy Code**”)
6 and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), for the
7 interim allowance of compensation for professional services performed by Cravath for the period
8 commencing October 1, 2019 through and including January 31, 2020 (the “**Compensation Period**”)
9 and for reimbursement of its actual and necessary expenses incurred during the Compensation Period,
10 respectfully represents:

11 **PRELIMINARY STATEMENT AND CASE STATUS**

12 1. The Chapter 11 Cases and the hundreds of stayed and contemplated litigations
13 concerning the 2015 Butte fire, the 2017 North Bay fires (including the 2017 Tubbs fire) and the 2018
14 Camp fire (collectively, the “**Wildfire Litigations**”) are large, complex actions. Cravath’s role in
15 representing the Debtors is expansive and concerns six primary areas, among several others. *First*,
16 Cravath is lead counsel in all the Wildfire Litigations. The Wildfire Litigations comprise claims by
17 thousands of plaintiffs—including individuals, insurance companies and public entities—with
18 potential liabilities in excess of \$30 billion if the Debtors were to be found liable for certain or all of
19 the alleged damages (excluding potential punitive damages, fines and penalties and damages from
20 claims that have not manifested yet). During the Compensation Period, Cravath spent over 14,700
21 hours of attorney and para-professional time (under task code “WILD”; a decrease of over 2,600 hours
22 compared with the prior compensation period) investigating the facts of the fires underlying the
23 Wildfire Litigations, including working with experts, interviewing witnesses and reviewing reports
24 issued by the California Department of Forestry and Fire Protection (“**CAL FIRE**”) and negotiating
25 with opposing counsel; all of which helped lead to the resolution of the Wildfire Litigations and the
26 underlying claims as reflected in the Debtors’ Restructuring Support Agreement with the TCC (the
27 “**TCC RSA**”) [Docket No. 5038-1]. *Second*, Cravath advises the Debtors on all wildfire and related
28

1 issues that have arisen in connection with the Utility's corporate probation resulting from its January
2 27, 2017 federal criminal convictions. This has entailed drafting detailed responses to the federal
3 monitor appointed to oversee that probation, as well as to the Hon. William H. Alsup, and the review
4 and production of documents. Cravath recorded over 18,200 hours of professional time (under task
5 code "NONB"; an increase of over 2,800 hours compared with the prior compensation period) in
6 connection with the criminal probation and other criminal inquiries. Cravath is also lead counsel in
7 the Tubbs state court litigation. To prepare for the state court trial that was set for January, but has
8 been taken off calendar pursuant to the TCC RSA, Cravath has retained and worked with experts,
9 engaged in extensive factual depositions, responded to continuous requests for additional documents
10 and engaged in motion practice concerning trial schedule, form and procedures. *Third*, Cravath has
11 represented the Debtors in responding to numerous Committee discovery requests, inquiries and
12 motions spending over 9,700 hours of professional time on such responses (under task code "COMM";
13 an increase of over 3,200 hours compared with the prior compensation period). *Fourth*, Cravath has
14 represented the Debtors in responding to detailed data requests from state regulatory agencies,
15 municipalities and consumer groups, spending over 4,000 hours of professional time on such responses
16 (under task code "REGS"; a decrease of over 1,700 hours compared with the prior compensation
17 period), including the California Public Utilities Commission (the "CPUC"), California Independent
18 System Operator ("CAISO"), CAL FIRE, California Public Advocate ("CalPA"), City of San
19 Francisco and The Utility Reform Network ("TURN"). *Fifth*, during the Compensation Period,
20 Cravath conducted other categories of investigations, spending over 4,800 hours of professional time
21 on such responses (primarily under task code "INVS"; an increase of over 3,500 hours compared with
22 the prior compensation period), including in connection with an investigation by the Securities and
23 Exchange Commission ("SEC"). *Sixth*, Cravath advised the Debtors regularly during the
24 Compensation Period on corporate governance matters, spending over 1,500 hours of professional
25 time on such responses (under task code "GOVR"; an increase of over 400 hours compared with the
26 prior compensation period), including in connection with the drafting and/or review of the Debtors'
27 SEC filings and other public disclosures to investors. *Lastly*, Cravath participated in various aspects
28

of these Chapter 11 Cases with the Debtors’ other professionals, including in connection with the debtor-in-possession (“**DIP**”) financing facilities, the exit financing for the Debtors’ proposed plan of reorganization and preparing for now stayed section 502(c) estimation proceedings with respect to the Wildfire claims. Such bankruptcy work has been divided among several task codes, including “BARN”, “CASE”, “CASH” and “CRAV” (for drafting documents related to Cravath’s retention and fee applications and related matters). These categories—among several others—are described in greater detail below. Given the breadth, complexity and volume of the work for which Cravath seeks compensation on behalf of its team of 159 professionals—who in the aggregate recorded 60,038.40 hours during the 4-month Compensation Period—the descriptions herein are necessarily summary in fashion.

2. This Application has been prepared in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules for the Northern District of California (the “**Local Rules**”), the *Order Pursuant to 11 U.S.C. §§ 331 and 105(a) and Fed. R. Bankr. P. 2016 for Authority to Establish Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Docket No. 701] (the “**Interim Compensation Order**”), the *Guidelines for Compensation and Expense Reimbursement of Professionals and Trustees for the Northern District of California*, dated February 19, 2014 (the “**Local Guidelines**”), the *U.S. Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases*, effective November 1, 2013 (the “**U.S. Trustee Guidelines**”), the revised *Fee Examiner Protocol for Chapter 11 Cases of PG&E Corporation and Pacific Gas and Electric Company* [Docket No. 4473-1] filed on October 24, 2019 (the “**Revised Protocol**,” and, together with the Local Guidelines and the U.S. Trustee Guidelines, the “**Fee Guidelines**”) and the *Amended Order Granting Fee Examiner’s Motion to Approve Fee Procedures* [Docket No. 5168] entered on December 18, 2019 (the “**Amended Fee Procedures Order**”).

JURISDICTION

3. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334, the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General

Order 24 (N.D. Cal.) and Rule 5011-1(a) of the Local Rules. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

4. On January 29, 2019 (the “**Petition Date**”), the Debtors commenced these Chapter 11 Cases. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee has been appointed in either of the Chapter 11 Cases. The Chapter 11 Cases are being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b).

5. On February 12, 2019, the United States Trustee (the “**U.S. Trustee**”) appointed an Official Committee of Unsecured Creditors (the “**Creditors’ Committee**”). On February 15, 2019, the U.S. Trustee appointed an Official Committee of Tort Claimants (the “**Tort Claimants Committee**” and, together with the Creditors’ Committee, the “**Committees**”). On May 29, 2019, the Court entered an order appointing Bruce A. Markell as the fee examiner for the Chapter 11 Cases (the “**Fee Examiner**”). On August 30, 2019, the Fee Examiner filed the *Fee Examiner Protocol for Chapter 11 Cases of PG&E Corporation and Pacific Gas and Electric Company* [Docket No. 3762-1] with the Court. On October 24, 2019, having met and conferred with the Debtors, the U.S. Trustee and the Committees, the Fee Examiner filed the Revised Protocol with the Court. On December 18, 2019, the Court entered the Amended Fee Procedures Order.

6. Additional information regarding the circumstances leading to the commencement of the Chapter 11 Cases and information regarding the Debtors’ businesses and capital structure is set forth in the *Amended Declaration of Jason P. Wells in Support of the First Day Motions and Related Relief* [Docket No. 263] (the “**Wells Declaration**”).

The Debtors’ Retention of Cravath

7. On March 22, 2019, the Debtors filed an application to employ Cravath as their attorneys, effective as of the Petition Date [Docket No. 1024] (the “**Retention Application**”), which application was approved by the Court by Order entered April 25, 2019 [Docket No. 1683] (the “**Retention Order**”).

1 8. The Retention Order authorizes the Debtors to compensate and reimburse
2 Cravath in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Fee Guidelines and the
3 Interim Compensation Order. The Retention Order also authorizes the Debtors to compensate Cravath
4 at its customary hourly rates for services rendered and to reimburse Cravath for its actual and necessary
5 expenses incurred, subject to application to this Court. Specifically, the Retention Order authorizes
6 Cravath “to render the professional services specified in or contemplated by the [Retention]
7 Application” [Docket No. 1683 ¶ 3], which are:

- 8 • “advising and representing the Debtors with respect to the Wildfire
9 Litigation Matters, including by prosecuting actions on the Debtors’ behalf,
10 defending actions commenced or ongoing against the Debtors, negotiating
disputes in which the Debtors are involved and preparing objections to
motions or to claims filed against the Debtors’ estates;
- 11 • advising and representing the Debtors in connection with claims allowance,
12 claims estimation and related settlement and plan of reorganization matters
with respect to claims in connection with the Wildfire Litigation Matters;
- 13 • representing the Debtors in connection with investigations and inquiries by
14 regulators and prosecuting authorities related to the Northern California
wildfires, and advising the Debtors in connection with wildfire issues that
15 have arisen or may arise in connection with their criminal probation arising
from the San Bruno gas explosion;
- 16 • advising and representing the Debtors with respect to (i) any sale or other
17 disposition or separation of assets or other strategic transactions; (ii) any
financing transactions, including any amendment to, or incremental
18 borrowing under, the DIP Financing, and bankruptcy exit financings; (iii)
corporate governance and disclosure matters; and (iv) tax and employee
19 benefits matters; in each case including negotiating and preparing on the
Debtors’ behalf any agreements, applications, motions and other filings
20 related thereto;
- 21 • in consultation with the Debtors’ other professionals, taking all necessary
actions in connection with any Chapter 11 plan and related disclosure
22 statement and/or other related documents, including in particular as they
relate to the matters specified above; and
- 23 • performing all other necessary legal services in connection with these
24 Chapter 11 Cases as requested by the Debtors and without duplication of
other professionals’ services.”

25 [Docket No. 1024 at 8.]
26
27
28

**Summary of Professional Compensation
and Reimbursement of Expenses Requested**

9. Cravath seeks allowance of interim compensation for professional services performed during the Compensation Period in the amount of \$38,286,942.50 and for reimbursement of expenses incurred in connection with the rendition of such services in the amount of \$16,348,412.36. During the Compensation Period, Cravath attorneys and paraprofessionals expended a total of 60,038.40 hours in connection with the necessary services performed.

10. There is no agreement or understanding between Cravath and any other person, other than members of the firm, for the sharing of compensation to be received for services rendered in these Chapter 11 Cases. Except as set forth below with respect to payments received by Cravath pursuant to the Interim Compensation Order, during the Compensation Period, Cravath received no payment or promises of payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application.

11. The fees charged by Cravath in these Chapter 11 Cases are billed in accordance with Cravath's existing billing rates and procedures in effect during the Compensation Period. The rates Cravath charges for the services rendered by its professionals and paraprofessionals in these Chapter 11 cases are generally the same rates Cravath charges for professional and paraprofessional services rendered in comparable bankruptcy and non-bankruptcy related matters. Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners in comparable bankruptcy and non-bankruptcy cases in a competitive national legal market.

12. The summary sheets contain a schedule of Cravath professionals and paraprofessionals who have performed services for the Debtors during the Compensation Period, the capacities in which each individual is employed by Cravath, the department in which each individual practices, the hourly billing rate charged by Cravath for services performed by such individuals, the year in which each attorney was first licensed to practice law, where applicable, and the aggregate number of hours expended in this matter and fees billed therefor. Biographical information for paraprofessionals can be made available upon request by the Court, and has been provided to the Fee Examiner pursuant to the Amended Fee Procedures Order.

1 13. The summary sheets also contain a summary of Cravath's hours billed during
2 the Compensation Period using project categories (each of which correspond to a billing task code)
3 described therein and hereinafter described. Cravath maintains computerized records of the time spent
4 by all Cravath attorneys and paraprofessionals in connection with its representation of the Debtors.
5 Copies of these computerized records have been filed on the docket with Cravath's monthly fee
6 statements and furnished to the Debtors, counsel for each of the Committees, the U.S. Trustee and the
7 Fee Examiner in the format specified by the Fee Guidelines.

8 14. The summary sheets also contain a schedule specifying the categories of
9 expenses for which Cravath is seeking reimbursement and the total amount for each such expense
10 category. Itemized schedules of all such expenses have been filed on the docket with Cravath's
11 monthly fee statements, provided to the Debtors, counsel for each of the Committees, the U.S. Trustee
12 and the Fee Examiner.

13 15. Annexed hereto as **Exhibit A** is a certification regarding Cravath's compliance
14 with the Fee Guidelines.

15 16. Annexed hereto as **Exhibit B** is a summary and comparison of the aggregate
16 blended hourly rates billed by Cravath's timekeepers in its New York office (Cravath's sole domestic
17 office) on all matters during the preceding year on a rolling 12-months year ending January 31, 2020
18 and the blended hourly rates billed to the Debtors during the Compensation Period.

19 17. Cravath discussed its rates, fees and staffing with the Debtors at the outset of
20 these cases. Further, Cravath provided the Debtors with an estimated budget in connection with the
21 Debtors' postpetition financing, which, as to the Compensation Period, was most recently amended
22 and agreed-upon on January 13, 2020. A summary of Cravath's budget, as applicable for the
23 Compensation Period, is attached hereto as **Exhibit C**. For the Compensation Period, Cravath
24 estimated its fees and expenses, including pass-through expenses for retained experts, would be
25 \$55,540,000 in the "mid-case", and the fees and expenses sought for the Compensation Period are
26 below that estimate. A summary of staffing is attached hereto as **Exhibit D**. Attorneys and
27 paraprofessionals assigned to this matter were necessary to assist with the administration of the
28

Chapter 11 Cases, preservation of the Debtors' assets and the other matters described herein. The Debtors are aware of the complexities of these cases, the many issues that need to be addressed, the various disciplines involved and that staffing needs are dynamic based on a number of factors, many of which are unpredictable, including the activities of other parties in interest in these Chapter 11 Cases.

18. To the extent that time or disbursement charges for services rendered or disbursements incurred relate to the Compensation Period, but were not processed prior to the preparation of this Application, Cravath reserves the right to request additional compensation for such services and reimbursement of such expenses in a future application.

**Summary of Services Performed by
Cravath During the Compensation Period**

19. As described above, during the Compensation Period, Cravath rendered substantial professional services to the Debtors in connection with their ongoing restructuring efforts, corporate governance matters, regulatory investigations and the Wildfire Litigations. The following is a summary of the significant professional services rendered by Cravath during the Compensation Period, organized in accordance with Cravath's internal system of project or work codes:

- a. Case Administration (Incl. Docket Updates and Case Calendar) (Task Code ADMN)
Fees: \$271,251.00; Total Hours: 824.90
 - Managed and tracked litigation and investigation materials, including collecting and saving pertinent case materials and correspondence; preparing materials for investigation interviews and productions to various entities; serving litigation materials via CaseHomePage; organizing hearing, deposition and interview transcripts and updating a calendar of deadlines across multiple matters;
 - Maintained credentials for secure File Transfer Protocol sites and transmission of files through the same;
 - Facilitated credentials for and access to case databases; and
 - Organized and circulated contact information of case counsel for case management purposes and of Debtor personnel to facilitate interviews further to fact investigations.
- b. Adversary Proceedings (Task Code ADVS)
Fees: \$224,583.00; Total Hours: 270.60
 - Drafted, reviewed and commented on filings related to the pending adversary proceeding regarding public safety power shutoffs;

- Conducted and reviewed legal research relevant to the pending adversary proceeding regarding public safety power shutoffs; and
- Corresponded with opposing counsel and co-counsel regarding the pending adversary proceeding regarding public safety power shutoffs.

c. Use and Sale of Assets, Including 363 Sales (Task Code ASST)

Fees: \$3,501.00; Total Hours: 4.00

- Assessed offers to buy certain assets of Debtors.

d. Automatic Stay (Task Code AUTO)

Fees: \$1,233.00; Total Hours: 1.70

- Drafted and sent letters concerning notice of stay requirement for fire litigations filed post petition.

e. Bar Date and Claim Noticing Matters (Task Code BARN)

Fees: \$42,943.00; Total Hours: 55.20

- Coordinated with the Debtors' claims and noticing agent, Prime Clerk LLC, and other professionals regarding noticing procedures and tracking of claims; and
- Correspondence with counsel regarding the bar date, proof of claim forms and noticing procedures.

f. General Case Strategy (Task Code CASE)

Fees: \$878,544.50; Total Hours: 1,084.00

- Participated in numerous meetings, conferences and teleconferences and engaged in written communications among Cravath, the Debtors and the Debtors' other advisors regarding general case strategy and status;
- Prepared for and participated in meetings and teleconferences concerning case resolution and strategy, including relating to section 502(c) estimation matters;
- Prepared weekly key legal matters update for the Debtors' Board of Directors and prepared for Board meetings;
- Conducted and reviewed legal research and fact investigation and prepared associated materials, including orders of proof and memos;
- Prepared and reviewed materials relating to expert work and coordinated with experts;
- Reviewed, identified and organized documents and data in preparation for investigations, depositions and case development for trial
- Drafted and reviewed Chapter 11 timelines and related emergence planning materials;
- Drafted correspondence to Plaintiffs counsel and coordinated with the Debtors with respect to access to restricted properties;
- Reviewed and provided legal advice concerning the Debtors' filings, business matters and media inquiries relevant to the Chapter 11 Cases, Wildfire Litigations, investigations and various related issues; and
- Organized and tracked legal holds and document collection work in support of all matters.

g. Committee Matters (Task Code COMM)

Fees: \$4,645,209.00; Total Hours: 9,746.00

- Drafted and reviewed responses and objections and responded to numerous Committee discovery requests;
- Drafted and reviewed discovery motions relating to Committee discovery;
- Drafted and reviewed correspondence and met and conferred with Committee counsel concerning discovery requests and motions;
- Coordinated productions for Committee discovery requests;
- Reviewed documents produced by Committees;
- Prepared for and conducted Committee depositions;
- Conducted research and drafted response to TCC motion for punitive damages; and
- Responded to informal Committee inquiries.

h. Financing / Cash Collateral (Task Code CASH)

Fees: \$1,390,487.00; Total Hours: 1,560.40

- Drafted and negotiated documentation related to the Debtors' proposed Exit Financing, including the Equity Backstop Commitment Letters, and reviewed and revised the Backstop Debt Commitment Letters and related Engagement and Fee Letters;
- Drafted the Exit Financing approval motion and January 3, 2020 amendment, and the motion to seal the Bridge Fee Letters and redact the Bridge Engagement Letters;
- Participated in numerous conferences and teleconferences with the Debtors, other Debtor professionals, the Equity Backstop and Backstop Debt Commitment Parties, the Equity Backstop and Backstop Debt Commitment Parties and their professionals regarding the Exit Financing and Exit Financing orders, and prepared and reviewed certain related presentations and other materials;
- Prepared and/or reviewed drafts of various public and/or regulatory filings in respect of the Exit Financing; and
- Attention to matters regarding the DIP facility including responding to information requests from and coordination with counsel to the DIP Agent.

i. Cravath Retention and Fee Applications (Task Code CRAV)

Fees: \$648,117.50; Total Hours: 1,244.00

- Drafted, edited and reviewed monthly fee statements and interim fee application and related exhibits;
- Prepared guidance and provided advice regarding proper time entry preparation; and
- Revised time entries prepared for submission with monthly fee statements to prevent the disclosure of privileged information or attorney work product.

j. Creditor Inquiries (Task Code CRED)

Fees: \$416.50; Total Hours: 0.70

- Responded to creditor inquiries.

k. Disclosure Statement/Solicitation/Voting Issues (Task Code DSSV)

Fees: \$4,224.00; Total Hours: 4.40

- Reviewed and edited Debtors' SEC filings.

1. Retention and Fee Applications of Non-Cravath Professionals (Task Code FEEO)
Fees: \$1,288.00; Total Hours: 1.10

- Reviewed amended Committee retention application.

m. Corporate Governance and Securities Matters (Task Code GOVR)
Fees: \$1,407,037.00; Total Hours: 1,561.10

- Drafted and edited numerous of the Debtors' SEC filings;
- Reviewed and provided comments to the Debtors' earnings releases and other investor communications;
- Corresponded with shareholders and their representatives;
- Prepared materials for and participated in meetings of the Debtors' boards of directors and related committees; and
- Researched California and federal regulatory and securities law for the purpose of rendering advice regarding public disclosures related to the Debtors' proposed Exit Financing;
- Conferred with the Debtors' auditors and financial advisors regarding securities, accounting and other governance issues; and
- Corresponded with the Debtors' officers and directors on corporate governance matters.

n. Hearings and Court Matters (Task Code HEAR)
Fees: \$218,772.00; Total Hours: 194.80

- Prepared for and attended certain in-person and telephonic hearings before the Court, including hearings related to exclusivity, relief from the automatic stay, estimation, conferences addressing wildfire-related discovery disputes, inverse condemnation and Restructuring Support Agreement and Tubbs settlement approval.

o. Investigations (Task Code INVS)
Fees: \$3,078,179.50; Total Hours: 4,826.60

- Conducted factual investigations regarding various electric operations issues, including interviewing Debtor personnel and reviewing Debtor documents regarding the same; and
- Represented Debtors in connection with SEC investigation, including by reviewing and commenting on accounting and accrual matters and providing updates to the SEC.

p. Non-Bankruptcy Litigation (Task Code NONB)
Fees: \$11,860,174.00; Total Hours: 18,242.80

- Conducted investigation relating to transmission lines including document review, employee and subject matter expert interviews, preparation of report and communications with federal monitor;
- Conducted factual depositions, retained and worked with experts and conducted expert discovery, completed additional document discovery and written discovery, engaged in motion practice, completed pretrial information exchanges, and participated in court conferences in preparation for the Tubbs state court litigation;

- Coordinated collection, review and production of numerous documents in response to requests from government entities in relation to criminal investigations relating to the Camp Fire;
- Conducted meetings and interviews with the Debtors' personnel to determine location and collection strategy for documents responsive to requests for production by government entities in relation to criminal investigations relating to the Camp Fire;
- Reviewed documents, including custodial Electronically Stored Information, for privilege and responsiveness to requests for production by government entities;
- Reviewed documents and conducted interviews with the Debtors' personnel related to ongoing investigations relating to the Camp Fire;
- Conferred with the Debtors' other advisors and Debtor personnel regarding strategy and approach to criminal investigations surrounding the Camp Fire;
- Reviewed and commented on draft submissions in derivative action relating to North Bay and Camp fires;
- Drafted and reviewed responses to dozens of information requests from, attended numerous subject matter expert interviews with the federal monitor appointed in *United States of America v. Pacific Gas and Electric Company*, No. 3:14-cr-00175-WHA and drafted interview memoranda re same; and
- Conducted numerous meetings and interviews with subject matter experts and prepared submissions in response to court orders in *United States of America v. Pacific Gas and Electric Company*, No. 3:14-cr-00175-WHA.

q. Other Contested Matters (Task Code OCMS)
Fees: \$174,851.50; Total Hours: 185.10

- Participated in conferences and teleconferences with the Debtors, other Debtor professionals and the Fee Examiner regarding various contested matters,
- Prepared reports, responses and other materials with respect to the same;
- Drafted revisions to Fee Examiner's proposed protocol and related correspondence with other Debtor professionals, legal counsel for the Committee and the Fee Examiner;
- Preparation for hearings related to adversary proceedings; and
- Drafted declaration in support of Fee Examiner's revised protocol.

r. Business Operations Matters (Task Code OPRS)
Fees: \$87,862.00; Total Hours: 82.70

- Prepared for and participated in numerous meetings and teleconferences with PG&E personnel regarding strategy for business operations matters for the purposes of providing legal advice, including the Community Wildfire Safety Program ("CWSP"), the Public Safety Power Shutoff program and other operations of PG&E;
- Reviewed and commented on draft policies, communications with local governments and public officials, internal communications publications and videos, customer service communications and other documents regarding business operations matters, including the CWSP, the Public Safety Power Shutoff program and other operations of PG&E;
- Responded to data requests concerning the CWSP;
- Advised PG&E's in-house legal team and other PG&E personnel on various regulatory requirements, records-keeping practices and legal issues associated with business operations matters, including the CWSP, the Public Safety Power Shutoff program and other day-to-day operations of PG&E; and

- Communicated with opposing counsel in Wildfire Litigations to coordinate site visits for inspections and maintenance on restricted access properties.

s. Plan of Reorganization / Plan Confirmation (Task Code PLAN)
Fees: \$447,740.00; Total Hours: 480.60

- Participated in internal and external conferences and teleconferences with the Debtors, other Debtor professionals and other parties in interest regarding Debtors' Plan of Reorganization;
- Analyzed and revised wildfire claims related aspects of Debtors' Plan of Reorganization and Amended Plan of Reorganization;
- Prepared, negotiated and executed plan support agreements with certain parties in interest; and
- Reviewed and analyzed motion to terminate exclusivity and prepared status conference statements regarding the same.

t. Public Relations Strategy (Task Code PUBL)
Fees: \$36,966.50; Total Hours: 39.00

- Reviewed and provided legal advice concerning public relations, including press releases and public statements, responses to investor inquiries and preparation for shareholder meetings; and
- Drafted and reviewed responses to media inquiries.

u. Regulatory & Legislative Matters (Task Code REGS)
Fees: \$2,585,353.00; Total Hours: 4,066.10

- Conducted meetings and interviews with Debtor personnel to determine location and collection strategy for documents responsive to data requests served by the CPUC, CAISO, CAL FIRE, CalPA, the City of San Francisco and TURN pertaining to the 2017 North Bay Fires, the 2018 Camp Fire, the 2019 Kincade Fire and other areas contemplated by the requests;
- Collected and reviewed documents for responsiveness to data requests served by the CPUC, CAISO, CAL FIRE, CalPA, the City of San Francisco and TURN pertaining to the 2017 North Bay Fires, the 2018 Camp Fire, the 2019 Kincade Fire and other areas contemplated by the requests;
- Reviewed and redacted documents responsive to CPUC, CAISO, CAL FIRE, CalPA the City of San Francisco and TURN data requests for privilege and prepared confidentiality declarations;
- Produced documents responsive to CPUC, CAISO, CAL FIRE, CalPA the City of San Francisco and TURN data requests and coordinated with document vendors with respect to the same;
- Drafted narrative responses to questions posed by CPUC, CAISO, CAL FIRE, CalPA the City of San Francisco and TURN pertaining to the 2017 North Bay Fires, the 2018 Camp Fire, the 2019 Kincade Fire and other areas contemplated by the requests; and
- Reviewed and analyzed documents, interviewed Debtor personnel and prepared response to CPUC Order Instituting Investigation regarding the 2017 North Bay Fires.

v. Non-Working Travel Time (Task Code TRVL)
Fees: \$726,147.50; Total Hours: 770.40

- Travel time to Debtors' offices and court hearings not otherwise billable.

w. U.S. Trustee Matters / Meetings / Communications / Reports (Task Code USTM)
Fees: \$40.00; Total Hours: 0.10

- Responded to requests for information from the U.S. Trustee.

x. Wildfire Claims Matters (Task Code WILD)
Fees: \$10,912,022.00; Total Hours: 14,792.10

- Conducted factual depositions, completed additional document discovery and written discovery, engaged in motion practice, completed pretrial information exchanges, and participated in court conferences in preparation for the estimation of North Bay and Camp wildfire claims;
- Managed the preservation and collection of evidence related to the North Bay and Camp fires;
- Conducted ongoing factual investigations of North Bay and Camp fires, including interviewing Debtor personnel, reviewing Debtor documents, conducting site visits and reviewing physical evidence;
- Retained and worked with numerous subject matter experts regarding fire cause and origin, electrical and metallurgical evidence, damages and other issues relevant to wildfire claims;
- Conducted and reviewed legal research relevant to wildfire claims;
- Conducted data management and analysis relating to benchmarking for settlement purposes;
- Analyzed and tracked claims data;
- Drafted and reviewed motions, conducted factual and legal research and participated in negotiations concerning claims bar date, claims questionnaire and related claims procedures in bankruptcy;
- Conferred with the Debtors' other advisors and Debtor personnel regarding settlement strategy and approach related to the wildfire claims; and
- Drafted, reviewed and commented on motions and other court filings related to resolution of the wildfire claims, including briefing concerning inverse condemnation.

20. The foregoing is merely a summary of the various professional services rendered by Cravath during the Compensation Period. The professional services performed by Cravath were necessary and appropriate to the administration of the Chapter 11 Cases and were in the best interests of the Debtors and the estates. Compensation for such services as requested is commensurate with the complexity, importance and nature of the issues and tasks involved.

21. The professional services performed by partners, counsel and associates of Cravath were primarily rendered by the Corporate and Litigation Departments.¹

22. The professional services performed by Cravath on behalf of the Debtors during the Compensation Period required an aggregate expenditure of 60,038.40 recorded hours by Cravath's

¹ Cravath's Financial Restructuring and Reorganization ("FR&R") practice group is organizationally located in the Corporate Department, but involves the participation of attorneys from both the Corporate and Litigation Departments.

1 partners, counsel, associates and paraprofessionals. Of the aggregate time expended, 4,590.40
2 recorded hours were expended by Cravath partners; 46,810.80 recorded hours were expended by
3 associates, counsel, practice area attorneys and discovery attorneys; and 8,576.20 recorded hours were
4 expended by paraprofessionals and other non-legal staff of Cravath.

5 23. During the Compensation Period, Cravath billed the Debtors for time expended
6 by attorneys based on hourly rates ranging from \$390.00 to \$1,500.00 per hour for attorneys.
7 Allowance of compensation in the amount requested would result in a blended hourly billing rate for
8 attorneys of approximately \$719.20 (based on 51,523.20 recorded hours for attorneys at Cravath's
9 billing rates in effect at the time of the performance of services).

10 **Actual and Necessary Disbursements of Cravath**

11 24. Cravath has disbursed \$16,348,412.36² as expenses incurred in providing
12 professional services during the Compensation Period. These expenses are reasonable and necessary
13 and were essential to, among other things, ongoing work of subject matter experts retained for
14 purposes of the Wildfire Litigations, travel to and from court hearings and preparation of materials for
15 the same. Pursuant to arrangements agreed to between the Debtors and the Office of the U.S. Trustee
16 (and disclosed to the Committees), expenses for subject matter experts relating to the
17 Wildfire Litigations and associated claims are included as pass-through expenses under the line item
18 "Special Disbursements", and separate approval by the Court of the employment of these subject
19 matter experts by Cravath has not been sought or obtained.

20 25. Cravath has made every effort to minimize its disbursements in these
21 Chapter 11 Cases. The actual expenses incurred in providing professional services were necessary,
22 reasonable and justified under the circumstances to serve the needs of the Debtors, their estates and
23 their economic stakeholders.

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27 ² Including \$15,487,274.80 of Special Disbursements, the majority of which are pass-through expenses for subject
28 matter experts.

The Requested Compensation Should Be Allowed

26. Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates the substantive standards of section 330 to govern the Court's award of such compensation. 11 U.S.C. § 331. Section 330 of the Bankruptcy Code provides that a Court may award a professional employed under section 327 of the Bankruptcy Code "reasonable compensation for actual, necessary services rendered [and] reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded to [a] professional person, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including –

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and
- (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

Id. § 330(a)(3).

27. In the instant case, Cravath submits that the services for which it seeks compensation and the expenditures for which it seeks reimbursement in this Application were necessary for and beneficial to the preservation and maximization of value for all stakeholders and to the orderly administration of the Chapter 11 Cases. The Debtors sought Chapter 11 protection "to find the quickest and most efficient way to provide compensation" to the victims "of the tragic 2017 and 2018 wildfires" who are entitled to compensation. (Aug. 14, 2019 Hr'g Tr. 22:21-23:2 (Statement of

1 K. Orsini); *accord* Aug. 13, 2019 Hr'g Tr. 7:13-8-23 (Statement of the Court).) Cravath's work, as
2 summarized above and detailed in its time entries, is focused on the resolution of claims stemming
3 from the wildfires, as well as related regulatory compliance investigations and activities. Such
4 services and expenditures were necessary to and in the best interests of the Debtors' estates, creditors
5 and all other parties in interest. The compensation requested herein is reasonable and appropriate in
6 light of the nature, extent and value of such services to the Debtors, as well as the size and complexity
7 of these Chapter 11 Cases, the Wildfire Litigations and related investigations and corporate
8 governance matters.

9 28. The professional services were performed expediently and efficiently.
10 Whenever possible, Cravath sought to minimize the costs of its services to the Debtors by utilizing
11 junior attorneys and paraprofessionals to handle routine work and initial drafting of litigation
12 materials.

13 29. In sum, the services rendered by Cravath were necessary and beneficial to the
14 Debtors' estates and were consistently performed in a timely manner commensurate with the
15 complexity, importance and nature of the issues involved. Accordingly, approval of the compensation
16 for professional services and reimbursement of expenses sought herein is warranted.

17 **Notice**

18 30. Notice of this Application has been provided to parties in interest in accordance
19 with the procedures set forth in the Interim Compensation Order. Cravath submits that, in view of the
20 facts and circumstances, such notice is sufficient and no other or further notice need be provided.

21 **Conclusion**

22 31. Cravath respectfully requests that the Court (i) award an interim allowance of
23 Cravath's compensation for professional services rendered during the Compensation Period in the
24 amount of \$54,635,354.86, consisting of \$38,286,942.50, representing 100% of fees incurred during
25 the Compensation Period, and reimbursement of \$16,348,412.36, representing 100% of actual and
26 necessary expenses incurred during the Compensation Period; (ii) direct payment by the Debtors of
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1 the difference between the amounts allowed and any amounts previously paid by the Debtors pursuant
2 to the Interim Compensation Order; and (iii) grant such other and further relief as is just.

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1 Dated: March 16, 2020

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3 **CRAVATH, SWAINE & MOORE LLP**

4
5 /s/ Paul H. Zumbro

6 Paul H. Zumbro

7
8 *Attorneys for Debtors and Debtors in Possession*

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